

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 2000

Docket No. R2000-1

RESPONSE OF UNITED STATES POSTAL SERVICE
TO REQUEST OF CHAIRMAN MADE AT HEARINGS ON AUGUST 23
REGARDING BUDGET APPROVAL
(August 30, 2000)

The United States Postal Service hereby provides its response to a request of the Chairman made at the hearings on August 23, 2000.

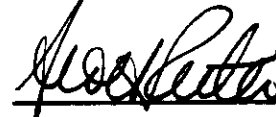
The question is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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August 30, 2000

**RESPONSE OF UNITED STATES POSTAL SERVICE
TO QUESTION POSED AT HEARINGS ON AUGUST 30, 2000**

CHAIRMAN GLEIMAN: ...We did indeed get a response ...that we get accounting period reports and, in effect, the accounting period reports are the operating budget.

[W]hat I would like to know is whether the Postal Service can provide us with an actual copy of a piece of paper that went to the Governors that had the accounting period reports with a whole bunch of blanks, except for the top line, which ...I can back in to what the budget is because it says actual and variance of the budget. And I guess if I know the actual and I know the actual and I know the variance of the budget, having taken a basic arithmetic course, I can figure out what the budget was.

But I am just kind of curious as to what it is that goes in that book to the Governors. ...

But, you know, perhaps just to satisfy my curiosity, if somebody at the Postal Service can find an actual document that represents what it was in the accounting period reports that actually went to the Governors and that they approved, not for next year, because they haven't done that yet, but for the current year, ...it would just make my life a lot easier. ... I would[n't] have to go through all those arithmetic calculations to figure out what the budget actually was. I mean inquiring minds want to know. Do the Governors really get a detailed budget that has a whole lot of blank spots in there ... that then get filled in and become accounting period reports?

... I don't want it to say what goes to the Governors. I want to see what goes to the Governors. There is a difference. I am a touchy-feely kind of person, I want a piece of paper, not an explanation of a piece of paper that exists somewhere else.

And I don't want any predecisional documents at this point. I just want to see, ... a decisional document, ... what they made the decision on for the current year. ...

Tr. 38/17176-78.

RESPONSE:

The Governors do not "get a detailed budget that has a whole lot of blank spots in there ... that then get filled in and become accounting period reports." The Postal Service explained this in the earlier response referred to by the Chairman:

When the Postal Service's Board of Governors approves the Postal Service's budget, what it specifically approves is a net income goal and a set of planning parameters that support that net income goal. The Board is not supplied with and does not vote on detailed operating plans. Detailed operating plans have typically not been completed at the time the Board votes on the budget.

(Response of United States Postal Service to Question Raised at Hearings on August 3, 2000, filed August 15, 2000)

"What actually went to the Governors" is a document called the "Integrated Financial Plan." A copy of the Integrated Financial Plan for FY 2000 is being filed as USPS-LR-I-489.

In addition, the Board was given a presentation at the time it was asked to approve the Integrated Financial Plan. A printout of the slides used in the presentation is also included in that library reference

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

A handwritten signature in black ink, appearing to read "Scott L. Reiter", is written over a horizontal line.

Scott L. Reiter

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